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*Vietnam: (Information as of 4:30 AM EST)

The Military Situation in South Vietnam: US forces are participating in 12 of 27 battalion-size or larger Allied search-and-destroy operations now in progress, but no major enemy contact has been reported in the past 24 hours.

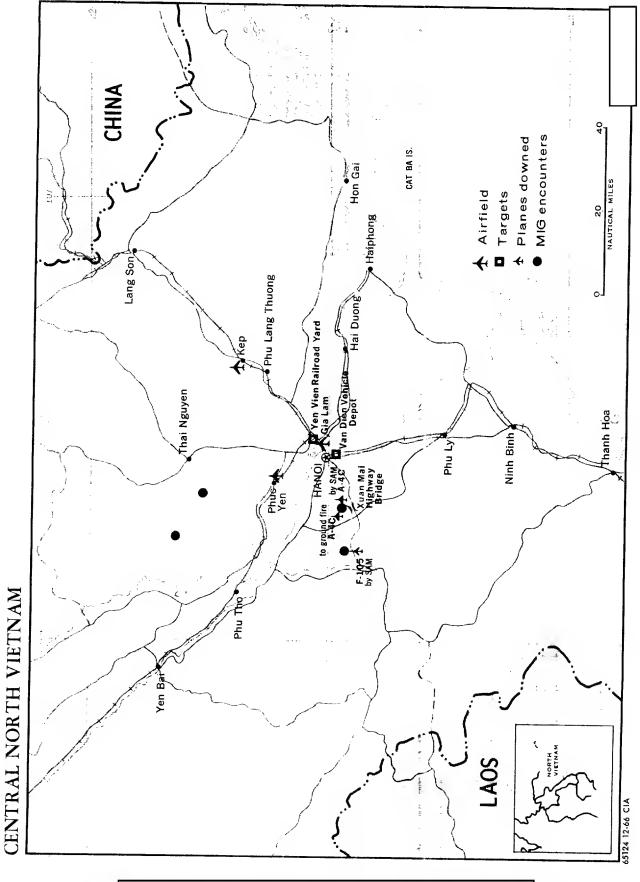
Elements of the South Vietnamese 21st Division conducting search-and destroy Operation DAN CHI 270B in the delta province of Chuong Thien today overran a Viet Cong POW camp southwest of the provincial capital of Duc Long. Sixty-four South Vietnamese paramilitary and regular troops were liberated without enemy resistance.

Sizable quantities of Viet Cong documents, ammunition, and explosives have been captured in this operation since it began on 12 December. (Map)

North Vietnamese Military Developments: North Vietnamese air defense elements yesterday offered heavy resistance to US aircraft conducting strikes against three major targets within 20 miles of Hanoi. Two US planes were lost to surface-to-air missiles (SAMs) and a third was downed by antiaircraft artillery fire.

Preliminary pilot reports indicate the attacks on the Yen Vien rail yard, the Van Dien vehicle depot, and the Xuan Mai highway bridge were successful and that a SAM site was also destroyed.

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DRV fighter aircraft--airborne in record numbers-failed to shoot down any US planes despite their use of air-to-air missiles (AAMs). Seven MIG encounters were reported, involving a total of at least 12 MIG-21s and nine MIG-17s. The DRV Air Force has yet to score a kill with an AAM despite several efforts during the past two weeks.

Berlin: East Germany's unofficial announcement that West Berlin must recognize the GDR as the price for a holiday pass agreement does not rule out some visiting arrangements for West Berliners.

The East Germans want to avoid the onus for preventing the popular Christmas visits. They may still back down in order to reach an agreement—the first agreement in 1963 was not signed until 17 December. Or they may offer passes directly to individual West Berliners without any agreement.

Some preparations for visiting already have been made. Application forms and pass blanks reportedly were printed in November, and within the last two weeks between 15 and 20 processing booths were erected at two of the four surface crossing points.

Communist China - Macao: Acceptance by local Chinese authorities of capitulation by Portuguese authorities reduces the threat of renewed disturbances, at least for the time being.

The official Chinese news agency has announced the capitulation, and the withdrawal of four Chinese Communist gunboats from the area suggests an intention to relax pressure for the present.

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This display of Portuguese inability and unwillingness to resist Chinese Communist pressure makes it clear that Peking can at any time score further cheap and easy political victories at Portugal's expense. For the moment, however, Peking will probably be satisfied with the acknowledgment by Macao authorities that the Communists have the predominant role in respect to Chinese Communist citizens of Macao.

Panama: The Robles government appears to be trying to improve its position for the approaching political campaign by engaging in a pressure campaign on the canal issue.

In a conversation with a US Embassy official, Secretary General Jacome of Robles' Liberal party defended recent editorials in party president Samudio's newspaper that called for psychological warfare with the US on the treaty issue. Jacome justified the editorials on the basis that government leaders must be in the forefront on 'patriotic issues.' He said that press attacks would become 'even stronger' unless treaty prospects improved.

A weekly paper, considered to be President Robles' mouthpiece, on 7 December carried an editorial questioning US faith in the negotiations.

The slow pace of the canal talks has been a continuing subject of opposition criticism in Panama. As elections approach and politicians look for means to defend the administration's position, the government will find it increasingly difficult to maintain a restrained attitude toward the US.

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NOTE

Venezuela: In two separate attacks yesterday, terrorists injured the Venezuelan Army chief of staff and killed a retired major who had participated in the conviction of a terrorist in 1963. The attackers left leaflets threatening to kill three military officers for every terrorist arrested. President Leoni has suspended constitutional guarantees, probably to give the authorities the means to cope with the terrorists and to allay military discontent with government inaction against them.

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